

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
DOE-15 /136 R

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APPROVED BY STR/JTSTEWART
LABOR:WRENISON
USDA:JBENSON
STR:MPOTTER
TREASURY:EBARBER
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INFO AMEMBASSY BRUSSELS

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MISSION ALSO FOR USMTN/ USEEC

E.O. 11652: N/A

TAGS: ETRD, GATT, EC

SUBJECT: GATT: DRAFT EC CONSOLIDATED SCHEDULES

REF: 77 GENEVA 10364

1. WE HAVE COMPLETED AN EXAMINATION OF THE DRAFT EC
SCHEDULES OF CONCESSIONS (SCHEDULE LXXII-EEC AND LXXII
BIS-ECSC). PLEASE REFER THE FOLLOWING QUESTIONS AND
SUGGESTED REVISIONS TO THE EC AND INFORM THE GATT
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SECRETARIAT.

2. IN SEVERAL AREAS WHERE GLOBAL TARIFF QUOTAS ARE IN
EFFECT (I.E., 54.03 BIA; 70.19 AIA, AIIIA, AIVB; AND
73.02 C) THE GLOBAL QUOTAS HAVE BEEN TENTATIVELY (PENDING
COMPLETION OF A STUDY) REDUCED TO TAKE ACCOUNT OF THAT
PART OF THE GLOBAL QUOTA PREVIOUSLY SUPPLIED BY THE EFTA

COUNTRIES. THE U.S. POSITION ON THIS ACTION IS EXPRESSED IN 77 STATE 264123.

3. ACCORDING TO THE SINGLE NOTE APPLYING TO THE 1974 DRAFT SCHEDULE LXXII BIS-ECSC, THE U.S. HAS AN INR ON 73.05B "SPONGE IRON AND STEEL OTHER THAN SPONGE IRON IN THE FORM OF CAKES, BRIQUETTES, OR POWDER, CONTAINING NOT LESS THAN 94 PERCENT BY WEIGHT OF TOTAL IRON AND NOT MORE

THAN .2 PERCENT BY WEIGHT OF TOTAL CARBON - 3 PERCENT." THIS NOTE IS NOT REFERENCED IN THE ECSC 1974 SCHEDULE LXXII BIS BUT DOES APPEAR AS AN ANNEX TO THAT SCHEDULE. IN THE NEW SCHEDULE THERE IS NEITHER REFERENCE NOR ANNEXED NOTE TO INDICATE THE EXISTENCE OF THIS U.S. INR.

4. 02.01AII: THE NOTE TO SUBHEADING 02.01AII.B) AND EX. C) INDICATES THAT OUT OF THE ANNUAL GLOBAL GATT QUOTA OF 38,500 TONS, 16,500 TONS MAY BE SUBJECT TO THE APPLICATION OF MONETARY COMPENSATORY AMOUNTS (M.C.A.). PLEASE SUPPLY INFORMATION ON THE SOURCE OF THIS NOTE. IF IT REFLECTS THE RESULTS OF A NEGOTIATION, PLEASE PROVIDE DETAILS.

5. 03.03AIVC: "OTHER." IN THE 1974 DRAFT EEC CONSOLIDATED SCHEDULE THERE WAS A BINDING ON THIS ITEM WITH THE DESIGNATION G(73), INDICATING A CONCESSION NOT NOMINALLY UNCLASSIFIED

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ASSIGNED. IN THE CURRENT DRAFT SCHEDULE OF CONCESSIONS THIS DESIGNATION HAS BEEN REMOVED AND SHOULD BE RETURNED.

6. 12.01: A NEW BREAKDOWN BETWEEN MATERIAL "FOR SOWING" AND "OTHER" HAS BEEN INTRODUCED. SOYBEANS ARE INCLUDED IN 12.01. A NEW FOOTNOTE MAKES ENTRY OF MATERIAL FOR SOWING SUBJECT TO CONDITIONS TO BE DETERMINED BY THE COMPETENT AUTHORITIES. THE EC MUST PROVIDE A CLARIFICATION OF THESE CONDITIONS BEFORE WE CAN DECIDE ON THE ACCEPTABILITY OF THIS RESTRICTION.

7. EX 21.07G: OUR BELIEF IS THAT IN 1960/61 ALL VEGETABLE PROTEIN CONCENTRATES ENTERED UNDER 35.04. WE WILL ACCEPT A RECLASSIFICATION UNDER 21.07, IN ACCORDANCE WITH THE CCC DECISION OF 1970, PROVIDED THAT AN EX-OUT WITH AN EIGHT PERCENT BINDING IS CREATED AS REQUESTED IN 1974. (SEE 74 STATE A-7491 AND 74 GENEVA A-381.)

8. 29.35P: (COMMENTS WILL BE HAND-CARRIED TO LAVOREL AND MARSH BY ABELSON APRIL 17.)

9. 38.07: THE EARLIER SUBHEADING 38.07A "SPIRITS OF

TURPENTINE" INCLUDED BOTH GUM AND WOOD TURPENTINE. THE NEW SUBHEADING SPECIFIES "GUM SPIRITS OF TURPENTINE" ONLY, AND WOOD TURPENTINE IS APPARENTLY RELEGATED TO 38.07C "OTHER" WHICH HAS A HIGHER DUTY AND ON WHICH THE U.S. DOES NOT HAVE AN INR, AS IT DOES IN THE CASE OF 38.07A. WE REQUEST THAT SUBHEADING 38.07A BE AMENDED TO READ "GUM AND WOOD SPIRITS OF TURPENTINE," OR CONVERT THE "C" SUBHEADING TO "WOOD TURPENTINE" WITH DUTY OF 40 PERCENT AND INR TO THE USA AND CREATE A SUBHEADING "D" FOR "OTHER."

10. 38.11: WE HAVE NO OBJECTION TO THE NEW ITEM "PLANT GROWTH REGULATORS" BEING INCLUDED IN THIS TARIFF NUMBER, BUT IT IS CONCEIVABLE THAT COMMODITIES PREVIOUSLY CLASSIFIED AS "HERBICIDES" OR "ANTI-SPROUTING PRODUCTS" MIGHT UNCLASSIFIED

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NOW BE CONSIDERED "PLANT GROWTH REGULATORS." THE U.S. REQUESTS THAT THE NEW SUBHEADING "C" BE AMENDED BY ADDING PARENTHETICAL EXCEPTIONS, TO READ AS FOLLOWS: "C. PLANT GROWTH REGULATORS (NOT INCLUDING HERBICIDES AND ANTI-SPROUTING PRODUCTS)."

11. 38.19 U: "OTHER": THIS SUBHEADING NOW INCLUDES THE FORMER ITEM 38.04 "AMMONIACAL GAS LIQUORS AND SPENT OXIDE PRODUCED IN COAL GAS PURIFICATION," WHICH WAS DUTIABLE AT 3.2 PERCENT IN THE 1974 DRAFT SCHEDULE WITH A "G(73)" DESIGNATION. UNDER SUBHEADING 38.19U IT IS DUTIABLE AT 14.4 PERCENT. WE REQUEST THAT THE EC CHANGE THE NEW

SUBHEADING "U" TO THE OLD 38.04 NOMENCLATURE "AMMONIACAL GAS LIQUORS, ETC.," RETAINING THE 3.2 PERCENT BOUND DUTY, AND CREATE A NEW SUBHEADING "V" FOR "OTHER."

12. 56.05: FORMER HEADNOTE 2A(A) OF SECTION XI "TEXTILES AND TEXTILE ARTICLES" INDICATED THAT TEXTILE YARNS AND FABRICS FALLING WITHIN CHAPTERS 50-57 AND CONTAINING MORE THAN 10 PERCENT SILK SHOULD BE CLASSIFIED IN CHAPTER 50 AS ARTICLES OF SILK. THIS RULE HAS BEEN ALTERED BY THE CCC TO REQUIRE CLASSIFICATION BY THE TEXTILE FIBRE PRE-DOMINATING IN WEIGHT. SINCE THE SILK CHAPTER HAS GENERALLY LOWER DUTIES IT IS NECESSARY TO CREATE EX-ITEMS TO AVOID THE IMPAIRMENT OF EXISTING CONCESSIONS. THE U.S. APPRECIATES THAT EC HAS MADE CONSIDERABLE EFFORT TO DO SO, ALSO IN CHAPTERS 58-63, WHERE A SIMILAR CHANGE OCCURS. HOWEVER, THE U.S. REQUESTS THAT UNDER HEADING 56.05, SUBHEADING A SHOULD BE BROKEN DOWN INTO TWO SUBDIVISIONS: 56.05AI SHOULD READ "OF MORE THAN 10 PERCENT SILK"-- 2.5 PERCENT AND 56.05AII SHOULD READ "OTHER"--11 PERCENT. (NOTE: COMMERCE HAS RECEIVED TRADE COMPLAINTS ON THIS UNCLASSIFIED

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RECLASSIFICATION.)

13. 98.03: "FELT TIPPED AND FIBRE TIPPED PENS AND PENCILS" ARE NOW SPECIFIED AS FALLING WITHIN HEADING 98.03A AT A 13 PERCENT DUTY. THESE ITEMS REPORTEDLY PREVIOUSLY ENTERED UNDER 98.03B "OTHER PENS, ETC." AT A 9.5 PERCENT DUTY. WE CONSIDER THAT THESE ITEMS SHOULD BE RETURNED TO AND SPECIFIED IN 98.03B.

14. 84.11A.II--VACUUM PUMPS, ETC. CONTAINS THE DESCRIPTION "CREATING A VACUUM BETTER THAN 0.01 TORR;": THIS

DESCRIPTION HAS BEEN ALTERED TO SUBSTITUTE THE TERM "MBAR" FOR "TORR." (MBAR MILLIBAR). A "TORR" IS EQUAL TO 1/760TH OF AN ATMOSPHERE AND A MILLIBAR IS EQUAL TO 1/1013.25 OF AN ATMOSPHERE. THIS CHANGE EFFECTIVELY INCLUDES IN THIS HEADING VACUUM PUMPS HAVING SMALLER VACUUM PRODUCING CAPACITY THAN WAS PREVIOUSLY THE CASE AND WHICH WOULD OTHERWISE HAVE BEEN CLASSIFIED UNDER 84.11A.III AT THE LOWER DUTY OF 6 PERCENT. WE REQUEST A RETURN OF THESE HEADINGS TO THEIR PREVIOUS COVERAGE IN TERMS OF VACUUM PRODUCING CAPACITY. (FYI: ONE MILLIBAR .75 TORR) END FYI.

15. WE NOTE THAT SEVERAL PROBLEMS ALREADY IDENTIFIED RESULT FROM CCC CHANGES IN SECTION OR CHAPTER HEADNOTES WHICH INDIRECTLY AFFECT COVERAGE OF CONCESSIONS THE LANGUAGE OF WHICH IS UNALTERED. COMPARISON OF OLD AND NEW SCHEDULE TEXTS DOES NOT GIVE ANY CLUE TO POSSIBLE RESULTING IMPAIRMENT OF CONCESSIONS IN SUCH CASES AND INSTANCES THUS FAR DISCOVERED HAVE DERIVED FROM TRADE COMPLAINTS. CONSEQUENTLY, THE U.S. RESERVES ITS RIGHTS UNDER ARTICLE II:5 TO CONSULT ABOUT FURTHER MODIFICATIONS CALLED FOR BY HEADNOTE CHANGES OF WHICH WE HAVE NOT BEEN INFORMED THROUGH GATT NOTIFICATIONS.

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16. FOLLOWING ITEMS HAVE TYPOGRAPHICAL ERRORS OR OMISSIONS, MOSTLY SELF-EXPLANATORY: 22.09A.II, 22.09C.IV, 25.32B, NOTE 80 (SPINAL CORD?), 41.03, NOTE 100 (ALSO QUERY PUNCTUATION), NOTE 104, 44.11, 44.15, NOTE 112 ("FROM 1.1.79" TO CONFORM TO SCHEDULE TEXT), NOTE 124, 90.22, 91.03, NOTE 148. WE PRESUME EC IS AWARE OF INCONSISTENT USE OF COMMAS AND PERIODS TO MARK THOUSANDS AND DECIMALS.

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